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**ATTORNEY GENERAL SETTLES CLAIMS THAT ONLINE MERCHANT VIOLATED
BAN ON INTERNET SALES OF TOBACCO PRODUCTS**

Habana Cigar Shop, a New York company, has settled claims brought by the Vermont Attorney General's Office that it sold tobacco products into Vermont via its website in violation of Vermont law. In documents approved by the Washington Superior Court today, the company agreed to pay \$2500.00 for the sale of one pound of roll your own tobacco, which cost \$25.00. "Internet sales of tobacco products are illegal in Vermont," said Attorney General William Sorrell. "Selling just one pack of cigarettes online could end up costing thousands of dollars."

Vermont's ban on the internet sales and delivery of tobacco products went into effect in July 2008. Internet tobacco sellers often do not effectively prevent minors from making illegal tobacco purchases. Many also fail to pay required state and/or federal taxes, advertising their products as "tax-free" when in fact taxes must be paid, by the consumer if not by the seller. Vermont law prohibits cigarettes, roll-your-own tobacco, little cigars, or snuff, ordered or purchased by telephone, mail order, or through the internet, to be shipped to anyone in Vermont other than a licensed seller or distributor. At least five other states have passed similar bans or restrictions on non-face-to-face purchases of tobacco products. The maximum penalty under Vermont's law is \$15,000 per violation.

Effective July 1, 2009, the Vermont cigarette tax increased to \$2.24 per pack. Besides undermining the legitimate business of licensed local retailers, online cigarette sales have resulted in an estimated loss of hundreds of thousands of tax revenues. Attorney General Sorrell reminded consumers that they “can’t avoid our cigarette tax by buying online.”

The full text of the law is available [here](#).